Risk Management Advisory & Consulting

Capital Markets Industry

Risk Pro

Connect with Risk Professionals

Riskpro, India

Governance, Risk and Compliance Offering

Our GRC Approach

Company level

- Define Risk Appetite
- Risk Scorecard
- Risk Heap maps
- Reputation Risk Scorecards
- IT Governance
- New Product Approval Policy
- Scan of Emerging Risks

Governance

- Align Corporate Governance to global practices
- Board Committee reviews
- Review and enhance Risk Governance
- Policy and Process Framework
- IT Governance
- Whistle Blowing Framework

Risk management

- Risk assessment
- Process and Control Review
- Insurance & Loss Alignment
- Incident Reporting Process & Tool
- Implementation of 20-30 top Key Risk Indicators (KRI)
- Fraud Risk Management Services

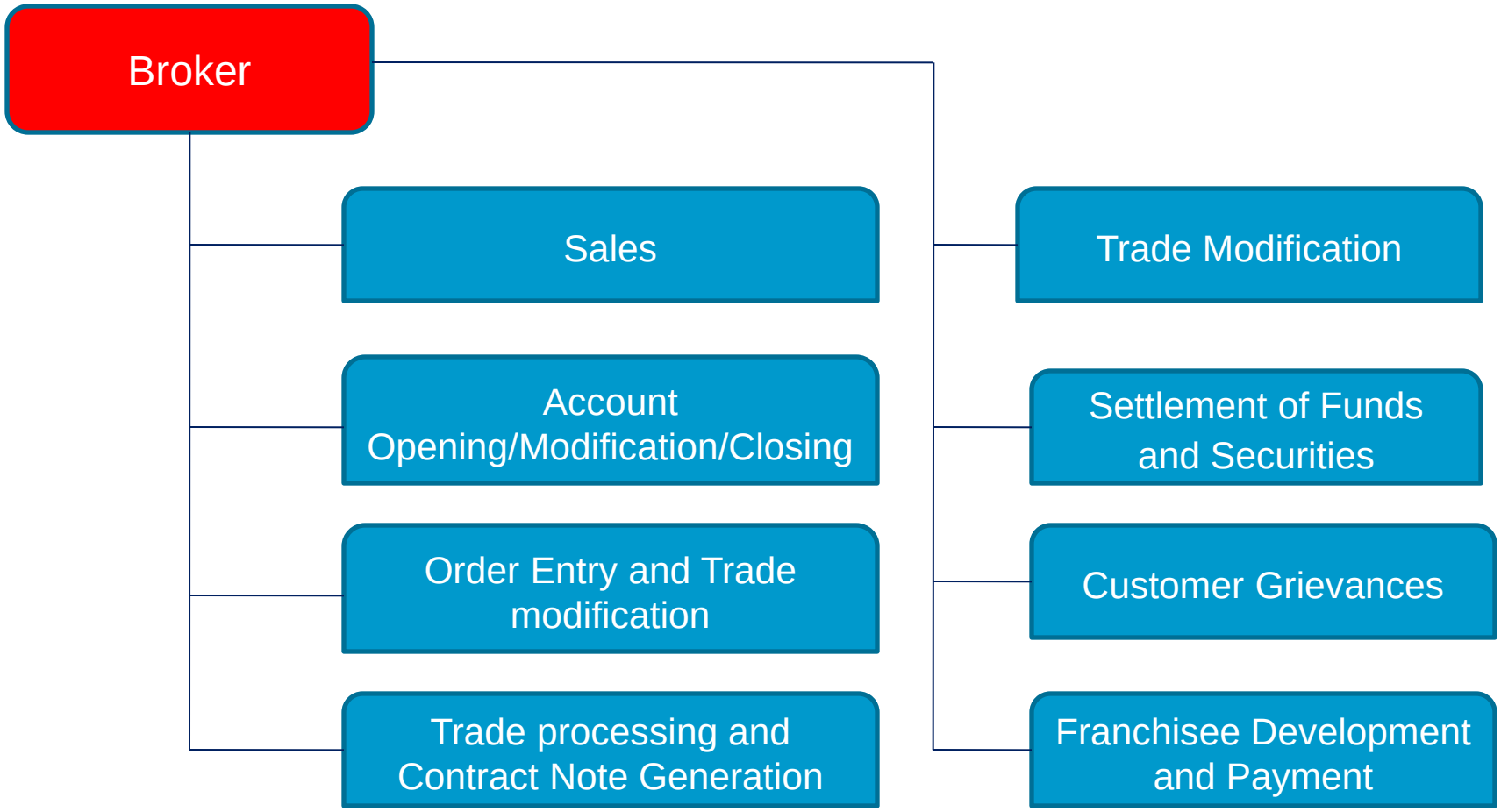
Compliance

- Compliance Risk Policy & Framework
- Regulatory reviews and audits
- Global regulation compliance
- Compliance Reporting
- Contractual Risk
- 3rd party audits of units
- Internal Control testing Tools

Support Processes

- GRC Technology Implementation – Provide recommendations and select vendor for GRC Tool
- HR Policies and Processes to minimize people risk, frauds and strengthen succession planning
- Training and Awareness build up – Targeted and Ongoing training in areas of concern.
- E Learning Courses in Risk Management, Fraud Risk Management, Governance etc

Process Walkthrough – Stock Broker Environment



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Unique Services Offering for Stock Broker Companies

- Comprehensive review of risks relating to Broker Dealer industry
- Enhanced Account Opening processes and stronger KYC processes
- Reduced regulatory risks relating to Anti Money Laundering
- Operational Risk Management frameworks for improved settlement process with minimal process lapses and settlement errors
- Customer exposure management and margining process
- Franchise buildup risk and reputation risk
- Analyzing credit risk for reduced unsecured debtors and margin shortfall
- Regulatory risk management framework and compliance risk management
- Technology Risk Management
- Fraud detection and prevention programs
- People risk and staff training programs
- Minimizing settlement risks. Improving the settlement cycle process
- Development of Risk Management systems and policies to comply with Exchange regulations, SEBI and other regulatory requirements

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Examples of Risk Management Solutions

Risk Factor	Risk Details	Our solutions
Account opening and KYC risks	•Accounts opened for potentially fraudulent clients •Client financial info not captured	✓ Review of account opening process ✓ Design of effective KYC checklist and review of Client ID/Address proof ✓ Design of exception approval process
Money Laundering Risks	•Non compliance with regulatory requirements •Suspicious transactions not reported	✓ Implementation of AML reviews on customer fund flows (in and out), suspicious transactions ✓ Effective process to monitor client fund flows that meet regulatory requirements
Trade risks and insider trading risks	•Trade entry errors •Unauthorized trading •Trading in client accounts •Insider trading / Front running risks	✓ Data and Risk Analytics/ Reports designed to identify insider trading, front running risks ✓ Training and awareness to employees of the risks of insider trading ✓ Limit and escalation process reviews to minimize unauthorized trading.
Client Exposure risks	•Client over exposure •Delayed margin calls •Close- out of client trades	✓ Design of credit and risk management policy ✓ Practical margining process that considers client exposures and types of clients
Settlement Risk	•Failure to settle in time •Technology Failure •Reconciliation items not reviewed and accounted	✓ Improved settlement process ✓ Back up / BCM / BCP / DR plans ✓ Design of BOD/EOD process checklists that comply with regulatory &exchange requirements

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Risks and their indicators

Nature of Risk	Risk Indicators
Regulatory Risk	Non compliances of directions, rules & regulations of Exchanges & SEBI
Trading Risk	Over Exposure by clients Erroneous computation of client exposure limits Dealing errors Unauthorised Trading Disowning of trades
Credit Risk	Debtors Collection period Margin Shortfall in Derivative Segment
Settlement Risk	Failure in settlement of Funds/Securities Third party Pay-in/Pay-out
People Risk	Improperly trained staff Misfit between capability & job scope
Technology & System Risk	Misfit & Complicated systems Technology failure Possibility of unauthorized access Lack of audit trails Backup failure
Process Risk	Policy / Process not documented Process documented but not clear Process not followed or limits breached

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Key Compliance requirements - Examples

Area	Requirements
Client Registration ▪ **KYC Procedure** ▪ **In Person verification**	KYC form must contain all the required information as prescribed
Contract notes ▪ **Prescribed format** ▪ **Contract notes should be dispatched to the clients with 24 hours of trade execution**	Serially numbered for exchange / segment annually Must contain required information such as PAN no of the firm, brokerage, settlement number, order number etc
Margin statements ▪ **Daily submission**	Must be in the prescribed format.
Receipt of funds from customers ▪ **No cash transactions**	Receipt from designated customer's bank account only
Payment to customers ▪ **Restriction of utilisation of client funds**	Payout Cheque to be in the name of the customer or funds to be transferred to the customers bank account
Delivery of shares to the customers ▪ **Restriction of utilisation of client shares**	Shares to be released to designated customers demat account within 24 hours from the receipt of the pay-in cheque
F&O Trade ▪ **Daily MG-13 Report to be uploaded in the Exchange**	Upfront collection of margins from the customers
Anti Money Laundering ▪ **Risk Categorization of Clients**	Detailed study of suspicious transactions

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Governance, Risk and Compliance (GRC)
Risk management software implementation

Govern risk & compliance with business benefits

- Riskpro helps organisations adapt to change, manage risk, and effectively comply with the risks and regulations which effect their businesses.
- Helps in successfully managing risk and achieving compliance in an ever-changing environment while reducing costs and improving corporate performance every day.

Riskpro Partnerships with GRC Vendors

- Riskpro has several partnerships with world leaders in implementation of GRC software solutions.
- (BPS Resolver, Methodware, Bwise, Odondo, Rocsys)
- Riskpro is also actively interacting with other Leading vendors for GRC Technology rollout (Bwise, Oracle)
- Riskpro can review the company's circumstances and provide an unbiased opinion n the best product for the circumstances.

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Our Delivery Methodology

FREE
"No Cost – Know Risk" Diagnostic Assessment
(To determine your pain points, industry benchmarking etc)

USP

GAP ANALYSIS & PROJECT DEFINITION
(Riskpro and clients brainstorm define project)

USP

PROJECT TEAM DEFINITION
Client gets to select Riskpro team members, subject matter experts.
Riskpro uses a mix of client staff / own staff for maximum value add

PROJECT EXECUTION
Constant project updates, timely project completion and project outcomes that are practical and easy to maintain

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Riskpro Clients

TrainingCentral

riskraft™
Manage your Risk Better ... With us

بنك دبي التجاري
Commercial Bank of Dubai

KJS CEMENT

OCEANIC

Skye Bank
Expanding your world

RiskMap
Risk Management....The Final Word

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Team Experiences

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Who is Riskpro… Why us?

ABOUT US

- Riskpro is an organisation of member firms around India devoted to client service excellence. Member firms offer wide range of services in the field of risk management.
- Currently it has offices in three major cities Mumbai, Delhi and Bangalore and alliances in other cities.
- Managed by experienced professionals with experiences spanning various industries.

MISSION

- Provide integrated risk management consulting services to mid-large sized corporate /financial institutions in India
- Be the preferred service provider for complete Governance, Risk and Compliance (GRC) solutions.

VALUE PROPOSITION

- You get quality advisory, normally delivered by large consulting firms, at fee levels charged by independent & small firms
- High quality deliverables
- Multi-skilled & multi-disciplined organisation.
- Timely completion of any task
- Affordable alternative to large firms

DIFFERENTIATORS

- Risk Management is our main focus
- Over 200 years of cumulative experience
- Hybrid Delivery model
- Ability to take on large and complex projects due to delivery capabilities
- We Hold hands, not shake hands.

Client Centric approach – Riskpro & Clients

- Precise understanding of your requirements
- Integrated deployment of our service offerings
- Willingness to partner with you for long term relationships
- Ability to keep pace with new developments
- Wide geographic spread in 3 major cities and alliance offices in several other cities

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SERVICES

Risk Management Advisory Services

Basel II/III Advisory
- Market Risk
- Credit Risk
- Operational Risk
- ICAAP

Corporate Risks
- Enterprise Risk Assessment
- Fraud Risk
- Risk based Internal Audit
- Operations Risk
- Forensic services

Information Security
- IS Audit
- Information Security
- IT Assurance
- IT Governance

Operational Risk
- Process reviews
- Policy/ Process Review
- Process Improvement
- Compliance Risk

Governance
- Corporate Governance
- Business Strategic risk
- Fraud Risk
- Forensic Accounting

Other Risks
- Business/Strategic Risk
- Reputation Risk
- Outsourcing Risk
- Contractual Risk

Training
- Banking – E Learning
- Corporate Training
- Regular Risk Management Training
- Online Training material
- Workshops / Events

Recruitment
- Virtual Risk Managers
- Full Time Risk Professionals
- Part time Risk Professionals
- Risk Managers on call – free

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RESUMES – Our team

Manoj Jain

- **Founder - Riskpro**
- CA, CPA, MBA-Finance (USA), FRM (GARP)
- Over 10 years international experience – 6 years in Bahrain and 4 years USA
- 15 years exp in risk consulting and internal audits
- Sox Compliance project for Fannie Mae, USA ($900+ Billion Mortgage Company)
- Specialization in Operational Risk, Basel II, Sox and Control design
- Led medium to large engagement teams

Rahul Bhan

- **Co- Founder - Riskpro**
- CA (India), MBA (Netherlands), CIA (USA)
- Over 15 years of extensive internal and external audit experience in India and abroad.
- Worked with KPMG United Arab Emirates, PKF South Africa, Ernst and Young Kuwait, Deloitte Netherlands and KPMG India.
- Worked with clients in a wide variety of industries and countries including trading, retail and consumer goods, NGO, manufacturing and banking and finance. Major clients include banks, investment companies, manufacturing organizations, aviation etc.

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RESUMES - Our team

Casper Abraham

- **Co-Founder - Riskpro**
- PGD (Electrical & Electronics & Computer Programming)
- 30 years of experience in Information & Communications Technology (ICT) Solutions for Retail, Garments, Manufacturing, Services Industries.
- Has created Companies, Divisions, Products, Brands, Teams & Markets.
- Consulting in Business, Technology, Marketing & Sales & Strategic Planning.
- Advisory, Training, Workshops & Implementation in Systems Thinking, Systems Modeling & Balanced Scorecard
- Worked with TIFR, Mahindra, Ambience, Communico-Graphique & Ionidea Inc, USA,

Kumar Bhukhanwala

- **Co-Founder - Riskpro**
- B.Com, CA
- 30 years of accounting, finance and risk management experience
- Most recent employment with Emerson, a USA Fortune 500
- Worked for Hinduja, Pidilite, Excel Industries and internationally
- Strong Financial Process and internal controls experience

RESUMES - Our team

Anjay Agarwal

- **Co-founder- Riskpro**
- LLB, CA, CISA, CWA, CS, CFE and others
- Over 15 years of experience in the field of Audit, Taxation, Investigations.
- Specializing in the field of Systems Audit, Cybrex Audit, Computer Crime Investigations, IS Forensics
- International Committee Member of Governmental and Regulatory Agencies Board and Academic Relations Committee of ISACA, USA

Piyush Kumar

- **Co-founder- Riskpro**
- Founder of PMG, a TQM Consulting Co in Delhi
- Mechanical Engineer
- 20+years experience in TQM concepts.
- Strong skill set in various productivity & quality improvement projects including Six Sigma offerings
- Past experiences include reputed organizations like Andersen Consulting, Eicher Consulting & Nathan & Nathan consultants

RESUMES - Our team

Rajesh Jhalani

- **Co-founder- Riskpro**
- B.Com, FCA
- Senior Partner with 48 year old Delhi based Chartered Accountant firm, Mehrotra and Mehrotra
- Over 19 years of experience in the field of Audit, Taxation, Company law matters.
- Major clients served are NTPC, BHEL, Bank of India, PNB, Airport Authority of India etc.

Amit Jain

- **Co-founder- Riskpro**
- CA (India)
- Member of Senior management team of South Asian Stocks Limited (www.sasonline.in)
- 5+ years experience in capital market industry.
- Expert in carrying out risk based internal audits, risk management, policy and procedures review in capital market industry etc.
- Past experiences include reputed organizations like Ernst and Young, Ray and Ray etc.

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RESUMES - Advisors

Mr. MP Mehrorta

- **Founder partner of Mehrotra and Mehrotra, a 48 year old CA firm in India**
- Bcpm, FCA, LLB
- Over 48 years of experience in audits, taxation, legal matters, loan syndication etc.
- Trustee of Cochin Port Trust, Member of Task Force for MOUs, Ministry of Heavy Industries & Public Enterprises, Govt. of India, Ex- Member of Central Board of Trustees, Employees' Provident Fund Organisation (EPFO), Ministry of Labour, Govt. of India, New Delhi.
- Ex - Director, Canara Bank

Mr. PK Gupta

- **Practicing chartered accountant in Delhi**
- CA, ICWA
- Over 35 years of professional experience.
- Trustee, Kargil Shaheed Smarak Samiti
- Hony. Treasurer, World Academy of Spiritual Sciences (WASS).
- Panel Arbitrator, International Centre for Alternative Dispute Resolution
- Arbitrator, Cement Corporation of India
- Arbitrator, Bombay Stock Exchange Limited
- Arbitrator, Central Depository Services (India) Limited
- Arbitrator's Panel of Indian Council of Arbitration

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RESUMES - PARTNERSHIPS

Andrew Hiles

- **Specialist Risk Consultant – Business Continuity**
- Founder and 15-year Chairman of Survive, the first international user group for Business Continuity professionals
- Founding director and first Fellow of the Business Continuity Institute
- Over 25 years international consulting expertise in Risk, Crisis, Emergency, Incident, and Business Continuity and ICT Disaster Recovery Management
- Multi-sector experience including Banking, Insurance, Finance, Oil, Gas, Energy, Manufacturing, Retail, Hi-Tech & Telecom
- Western Press Award for services to business, 1994; BCI/CIR nomination for lifetime achievement in BC, 1999, London; inducted into BC Hall of Fame by CPM magazine, 2004, Washington DC.

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THANKS

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Examples of our Services

Risk Based Internal Audit

Internal Auditing helps an organization accomplish its objectives by bringing a systematic, disciplined approach to ***evaluate and improve the effectiveness of risk management, control and governance*** processes.

Source: The Institute of Internal Auditors 1999 (IIA)

Need of Organizations

- Transaction Audit
- Control Reviews
- Fraud Mitigation
- Process Reviews
- Risk Assessment
- Enterprise Risk Assessment

Benefits of Risk based Audit

- Traditional audit view value added techniques
- Risk profile of Businesses
- Internal Controls & Ops Risk reviews
- Cost reductions recommendations
- Review of Fraud Risk Controls

Increasing Enterprise Risk Focus

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Scope of Risk based Internal Audit Services

▲ Corporate Governance Framework	→Enhance shareholder value
▲ Business Strategies and Risk Appetite	→ Is your direction right?
▲ Policy and Process Framework	→ ensure processes are well defined.
▲ Risk Management Framework	→ enhance risk mitigation efforts
▲ Fraud Risk Management Initiatives	→ Minimize fraud incidents
▲ Internal Control Framework	→ Minimize Operational Risks
▲ Financial Statement Closing Process	→ Minimize Accounting Errors
▲ Transactional Review	→ Are your transactions correct

UPGRADE FROM TRADITIONAL AUDITING

ADOPT RISK BASED AUDITING…. USE RISK EXPERTS

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Enterprise Risk Management (ERM) - Methodology

How we Do

You select the level and size of ERM efforts to suit your needs and budget.

1 Foundation	2 RISK IDENTIFICATION	3 BASIC ERM	4 ENHANCED ERM
		Risk Identification	Risk Identification
1 Foundation	**2 RISK IDENTIFICATION**	**Foundation**	**Foundation**
•ERM vision •Goals and objectives •Policies •Organization structure •Alignment to strategies	•Risk Assessment •Gap Analysis •Risk Mapping	•FOUNDATION TASKS •RISK ASSESSMENT TASKS •Risk Mgmt for 2-3 critical risks •Evaluate existing RM structures •Enhanced management reports •Dashboards •Monitoring tools •Risk based Communication	•Foundation Tasks •RISK Identification •Enhanced Framework

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IT Governance

IS AUDIT

- Operating Systems Audit
- Database Audit
- Networking Audit
- Firewall Audit
- IDS Audit
- Web Application, Data Center Audit
- Internet Banking, Core Banking Audit
- Performance & Forensic Auditing
- Application Systems - Functional review
- Compliance with IS Policies & Procedures

IT GOVERNANCE

- COBIT
- ValIT
- Balanced Scorecard
- IT & Business Maturity Models

INFORMATION SECURITY

- Penetration Testing
- Application Systems - Security review
- Review of IS Controls
- BS 7799 / (ISO 27001) Implémentation
- Formation of IS Security Policy
- Compliance with IS Policies & Procedures

IT ASSURANCE

- Business Continuity Planning
- Computer Crime Investigations
- Training in IT
- Compliance with IS Policies & Procedures

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Forensic and investigation services

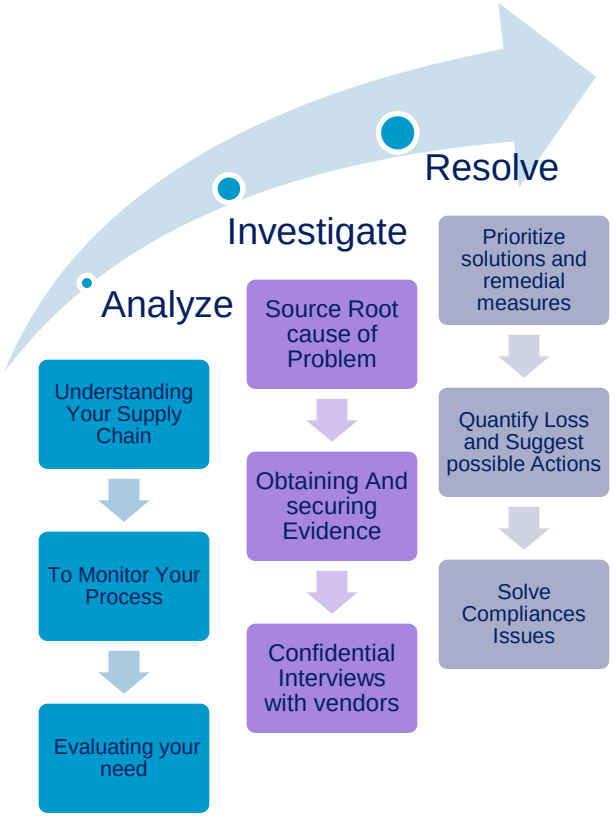
How we Do

Based on our understanding of your requirements, we have customized a package of our solution offerings to meet your needs, which is detailed in the ensuing slides.

To detect and prevent fraud and evaluate Code Of Conduct Compliance on following parameters :-

- ✓ Fraud Detection
- ✓ Fraudulent Vendor
- ✓ Recruiting new dealers, suppliers, franchisees or distributors
- ✓ Anti-Fraud Measures
- ✓ Monitoring Compliance and Auth orization
- ✓ Workplace Practice
- ✓ Background check for employees
- ✓ Background check for customers
- ✓ Prevent default of high value bills

Our Solution for you



Benefits To You

- Protects you from any Monterey or Reputational damage
- Code Of compliance establishment
- Enables you to identify risks / control gaps
- Helps you identify any undisclosed production
- Risk Mitigation

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